

Full Cost Decision Memorandum: Army employee planning (WF-15)

Issue:

How are Army employees planned and managed?

Source / reference:

LaRC Full Cost Implementation Team (2003-2004)
LaRC Office of the Chief Financial Officer (OCFO)

Background:

LaRC and the US Army have a Memorandum of Understanding (MOU) that has been in place for several years that defines the working relationship between these organizations. The MOU provides an arrangement for the Army to have access to the Centers infrastructure in exchange for Army employees that are provided to the Center for work. This arrangement is commonly referred to as quid pro quo. NASA doesn't pay salaries/benefits for the Army employees. However, these people perform important functions at the Center. In a full cost environment, the service and G&A costs associated with these people needs to be captured and charged appropriately.

Options:

1. Charge the institutional costs of Army employees to benefiting programs/projects (current process)
2. Charge the institutional costs of Army employees to Center G&A

Decision:

For Army employees performing Army research, the host organization should absorb and spread the associated institutional costs to project customers. The quid pro quo Army employees performing NASA work should be planned during the budget process in the Workforce Integrated Planning System (WIPS) in a manner similar to contractors. The planning of these employees in this system will enable the institutional costs to be charged to benefiting project customers through the applicable Science & Engineering (S&E) rate.

Approved by LaRC CFO (Ken Winter) 3/29/04
